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MCI.

September 8, 2003

<u>By Electronic Filing</u>

Marlene H. Dortch
Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

>   Re: EX PARTE – WC Docket No. 03-138: Application by SBC Communications,
>   <u>Inc. for Authorization to Provide In-Region, InterLATA Service in Michigan</u>

Dear Ms. Dortch:

MCI submits this *ex parte* letter at the request of staff to provide updates on key issues in the SBC Ameritech region since Reply Comments were filed in this proceeding on July 21. The most serious issues remain line splitting and billing. The cumulative effect of these problems is to significantly hinder MCI's ability to compete.

We will not repeat here the information previously provided in our Comments and Reply Comments in this proceeding. We discuss below only the issues on which there have been significant developments or to which SBC has provided new responses since we filed our Reply Comments. We note, however, that there has been no improvement and no new substantive information from SBC with respect to many of the issues MCI has raised: (1) SBC's requirement that CLECs and their DLEC partners be on the same version to submit line splitting orders; (2) SBC's requirement that CLECs submit two LSRs, including a faxed LSR, to disconnect DSL for a line splitting customer; (3) the requirement that CLECs pay more for line splitting because SBC treats line splitting orders (and disconnect orders) as orders for a new loop with new loop non-recurring charges; (4) the non-transparency of E911 updates for line splitting despite the problems that have arisen; and (5) the failure to implement new versions of interfaces without substantial defects. In addition to those problems, other critical issues remain with respect to line splitting and billing, as well as change management and line losses, which we discuss below.

SBC's line splitting processes require unnecessary effort to order, manage and disconnect

split lines; result in use of a new loop when a customer disconnects line splitting; make hunting unusable for line splitting customers; and make it easier for customers to migrate back to SBC than away from SBC. SBC's billing processes result in billing MCI for the wrong lines, database errors, and refusing to pay interest required under its interconnection agreements. SBC also has problems with worsening OSS defects and ongoing line loss problems.

SBC's Line Splitting Processes Remain Deficient

In its *Triennial Review Order*, the Commission emphasized that its existing precedent requires ILECs to provide the OSS needed for CLECs to take advantage of line splitting. *Triennial Review Order* ¶ 252 & n.752. Yet SBC alone among ILECs has implemented a line splitting process that does not provide even the basic functionality of an effective process. Almost all of the deficiencies in SBC's processes stem from its decision to treat line splitting orders for UNE-P customers as orders for new loops and ports, which is a different approach than any other ILEC has taken. By forcing CLECs to disconnect the UNE-P arrangement and reconnect it as a separate Unbundled Loop and a separate Unbundled Port, SBC creates more work for all involved, raises costs, and increases the risk to the customer of loss of dial tone, loss of features, and perhaps E911 address errors. SBC could resolve the problems described below simply by treating line splitting customers as the UNE-P customers they are. SBC could also resolve each of the individual problems very quickly.

Reuse of Loops. In an August 21, 2003 *ex parte* in this proceeding, SBC reiterates many of its indefensible claims purporting to justify use of new loops to serve line splitting customers who drop DSL. We first note that this is only one – albeit a critical one – of the many problems associated with SBC's process. SBC remains silent with respect to the other problems.

As for the particular problem regarding line splitting customers who wish to disconnect their DSL, SBC's answers have not improved over time. SBC makes a number of claims about the ways in which CLECs can avoid the loss of dial tone associated with SBC's deficient loop disconnect process, including building a cross-connect frame in their collocation cages so that CLECs can disconnect and reconnect their own customers.[1] These complex suggestions obscure the real solution to the problem that SBC has itself created – it should simply reuse the loop.

Because of the difficulties caused by failure to reuse the loop, MCI has chosen not to submit disconnect orders to SBC for customers that want to drop DSL service but continue with MCI as voice customers. Instead, MCI has chosen to keep their loops connected to its splitter. But by doing so, MCI is using up capacity on its splitters for customers who are no longer using DSL because the splitters continue to be connected to the data channel facility. Only months after launching DSL service, MCI is already running out of capacity on some of its splitters because of the inability to smoothly disconnect DSL while preserving voice for line splitting customers. MCI has over several hundred loops in the Midwest region for which it has received requests to disconnect DSL but for which it has not submitted disconnect requests to SBC as a result of its concerns with SBC's current process. Moreover, as MCI has previously explained, because it maintains the existing service arrangement rather than submitting a disconnect order to SBC, MCI must use a more complicated process to submit maintenance requests. In addition,

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[1] MCI generally does not have space in its collocation cages to build such a frame; building such frames would take months; and MCI was unaware when it leased the collocation space and began line splitting that SBC would even contemplate suggesting such a process. Moreover, trouble isolation would be a nightmare if the CLEC's voice customer were cross connected at the DLEC's collo cage even after the customer had dropped DSL.

MCI must pay a significantly higher monthly rate for an xDSL capable loop than it would have to if MCI submitted a disconnect order and thus instead paid for an ordinary loop. (SBC charges higher rates for xDSL capable loops than for ordinary loops even though, in reality, the loops are the same.) But MCI has little choice because of the significant risks if MCI were to submit disconnect orders to SBC.

SBC claims that its process of replacing loops for line splitting customers who disconnect DSL is non-discriminatory. Aug. 21 *ex parte* at 2. That is not so.[2] The closest comparison to a line splitting customer who disconnects DSL is an SBC retail customer who disconnects DSL. But SBC does not install a new loop in response to such an order, demonstrating the discriminatory nature of its process.

SBC argues that its systems are designed to install a new loop in response to a disconnect process. Aug. 21 *ex parte* at 2.[3] But SBC's deficient design does not excuse its discriminatory process. Indeed, every other ILEC has a process under which UNE-P customers who order line splitting continue to be treated as UNE-P customers. This avoids not only the problem with installation of a new loop in response to a request to disconnect DSL, but also the many other problems associated with SBC's process. SBC asserts that Verizon only installed its superior line splitting process in response to CLEC requests and a state commission order. Aug. 21 *ex parte* at 4. This is not the case. While it is true that the New York Commission ordered a process for line splitting, this process was developed as a result of collaboratives between CLECs and Verizon in which Verizon, unlike SBC, readily acceded to CLEC requests concerning a workable process. Moreover, every ILEC with whom MCI does business, not just Verizon, has a process for ordering line splitting that avoids the fundamental deficiencies with SBC's process. This includes BellSouth and Qwest, as well as Verizon.

In addition, although SBC professes its willingness to work with CLECs to adopt a better line splitting process, its letter focuses *only* on the process regarding disconnection of DSL for line splitting customers, presumably because that is the issue on which it has received regulatory pressure.

SBC says that it is working to develop a new process that would "in most cases" force reuse of the existing loop. Aug. 21 *ex parte* at 3. SBC blames the delay in instituting such a process on CLECs, claiming they have been unwilling to engage in a test of such a process. But as MCI has detailed at length, *see* Lichtenberg MI III Reply Decl. ¶¶ 29-33, it is SBC who delayed responding to MCI's requests for a new process. Time and time again on this issue, as with many others, SBC has failed to bring proper resources to the CLEC User Forum or Change Management Forum and has not brought effective answers to issues CLECs have raised.

Despite SBC's claims regarding CLEC failure to take advantage of a test offer, to MCI's knowledge SBC has not made any general offer to CLECs for testing a new line splitting process. It is true that on July 30, 2003 (after SBC made a similar offer in an *ex parte* in this proceeding), SBC informed MCI that it could test a new process, but said that in return MCI

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[2] Nor did SBC's Aug. 21 *ex parte* convince DOJ, for DOJ's Aug. 26 Evaluation in the four-state application urges the Commission to determine whether SBC's line splitting and UNE-P processes are non-discriminatory. DOJ IL-IN-OH-WI Eval. at 16.

[3] SBC also says that reuse of the loop would occur in *some* cases if the CLEC requested a due date for the new UNE-P five days after the due date for the disconnect order on the loop. Aug. 21 *ex parte* at 2 n.7. But if the CLEC did this, the customer would be without dial tone for at least five days, which is unacceptable.

would have to agree to waive certain performance metrics for line splitting orders. MCI said that it would not waive the metrics and also explained that it needed documentation describing the new process before it was willing to subject customers to a new process. SBC still has not provided such documentation, stating only that its local service representatives would add a reuse indicator and a related order indicator to the MCI LSR once it fell to manual in the local service center. Nonetheless, on August 20, SBC did finally provide a second, very brief verbal description of its proposed process (although it did not provide a trial plan or trial parameters). Despite these severe limitations, MCI agreed to a test.

SBC provided a brief "trial plan" to MCI on September 3 to test the reuse of the loop when a customer returns to UNE-P from a line splitting configuration. Despite SBC's assertions that it would be complex to reuse the existing loop, SBC's proposed process appears to utilize the same business rules as those used in a simple retail to UNE-P migration. SBC will use the same reuse of facilities and related order codes that are used in other types of migrations. During the trial, the LSC will add these codes manually based on a note in the remarks section of the order saying "Loop re-use trial." Once these codes are appended to the orders, the existing loop will be used to provide voice service.[4]

SBC could have implemented this process months ago and could readily implement it very quickly today. Yet for now, SBC has only agreed to test three customers in the first trial. More fundamentally, in discussing the proposed test, SBC was unwilling to commit to MCI that it would implement the new process even if testing proved successful. SBC apparently has not even offered the test option to other CLECs. And if SBC does implement the new process, SBC has not explained why only "most" disconnect orders will permit reuse of the existing loop (or which orders will not permit reuse of the existing loop). Finally, although SBC's tone has softened in its latest *ex parte*, SBC has not backed away from its assertion that CLECs will have to agree to waive certain performance measures before SBC will implement a different process. If SBC believes these issues "can be overcome," Aug. 21 *ex parte* at 4, it should put forth a proposal that it can show is reasonable.

Inability to Include DSL Line in Hunt Group. MCI has explained that SBC does not permit CLECs to include a DSL line in a hunt group with non-DSL lines. SBC's response (in SBC's July 30, 2003 *ex parte* letter to the FCC in this proceeding) reveals how difficult it is to obtain straight answers from SBC. MCI has been attempting to obtain information about hunting from SBC from the start of our work on DSL and line splitting and for months was not told of any limitations. It took significant probing for MCI finally to learn of the limitations that MCI has discussed. SBC begins its July 30 *ex parte* letter by saying that MCI's argument regarding hunting is "not true." Yet SBC goes on to acknowledge that hunting can be provided only when all of the customer's lines are the same "type." In SBC's view a line-split line is not the same type as a UNE-P line (because it is a UNE-ST (standalone UNE port) customer with unbundled transport) and thus cannot be included in a hunt group of UNE-P lines. SBC goes on to explain a very complex workaround that would require MCI to make changes to the customer's current configuration when the customer chooses to order line splitting. It suggests that MCI can change all of the lines in the hunt group from UNE-P to UNE-ST (the standalone UNE port) with unbundled transport. That is, MCI can send orders asking SBC to take apart the UNE-P

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[4] SBC has stated that it will jeopardy the orders back to MCI if it discovers some reason that the loop is not satisfactory for voice service so that the two companies may discuss this finding. However, there should not be any line-split loops that are not satisfactory for voice service.

combinations and re-install them and then submit a line splitting order. But this would involve significant unnecessary work on MCI's part, would risk loss of dial tone on each line, and would require MCI to pay SBC for the changes. This is unworkable.

In its July 30 *ex parte* letter, SBC also suggests that MCI use Busy Line Transfer to emulate hunting. This also would require MCI to place separate LSRs to remove hunting from existing lines, then to install line splitting, and only then install Busy Line Transfer. Moreover, there are disadvantages of using Busy Line Transfer, including the customer's inability to remove one line from the transfer group if, for example, a person with a particular line is away from the office for an extended period of time. In addition, there may be a slight delay in the call being transferred compared to hunting. MCI has asked SBC to detail the differences between hunting and call forwarding but has not yet received a detailed response.

SBC goes on to suggest that it would be possible to establish hunting through the bona fide request process, but this is not acceptable either. A CLEC should not have to pay for a special development through the BFR process when it simply wants what SBC provides to its own DSL customers and what other ILECs provide. Moreover, since hunting is a switch port function and the port is not changing (according to SBC), it is not clear why special development is necessary to allow hunting. Even if development is needed, such development could already have been accomplished if SBC had revealed the problem when MCI first asked SBC questions about hunting.

But the fact is that development is probably not needed and that the present limitation on hunting is simply a result of SBC's decision to *tell* MCI that no hunting is permitted between product types. Despite prior statements by SBC, SBC experts have recently informed MCI that they are not "sure" that hunting cannot work across product types within the same switch (*i.e.*, from an unbundled port to a UNE-P port), and that they have not tested the process. In other words, despite MCI's emphasis on the importance of hunting, SBC has until now told MCI that it could not use hunting even though such hunting may very well work. When asked why it has not tested the process, SBC responded that it has not received a change control request or BFR requesting such a test. This is ridiculous. If SBC tests the ability to hunt between these ports and finds that it works, this problem is resolved. Instead, SBC chooses to wait for CLECs to figure out that a simple test is all that is needed and then get in queue for such a test via the Users Forum.

Discrimination in Migration from Line Splitting to SBC. SBC responds in its July 30 *ex parte* letter to MCI's discussion of the discriminatory nature of SBC's process of migrating line splitting customers back to SBC. SBC permits such migration without the need for either the customer or SBC to submit an order to the CLEC to disconnect the DSL. In contrast, when an SBC retail customer with DSL migrates to a CLEC, either the CLEC or the customer must first place an order to disconnect the DSL. Otherwise, the order will reject. Thus, under SBC's process, it is easier to migrate back to SBC then away from SBC.

In addition, SBC continues to bill the CLEC for the DSL loop even after the customer has returned to SBC. SBC says that the CLEC can submit a disconnect order at that point and will know to do this based on information in the line loss record. July 30 *ex parte* letter. However, the central point remains correct: After SBC processes a winback, a CLEC must send an order to disconnect the DSL, and will be billed in the interim. Moreover, even if SBC sends information that enables the CLEC to determine whether it needs to send a disconnect order, the CLEC will

need to develop new software to process this information from the line loss reports and will still pay for the in-place DSL circuit until the line loss is received and the disconnect order is created, sent, processed by SBC, and the SBC billing systems are updated. This could be several days or even longer. SBC notes that it does provide the circuit ID for the loop portion of the line splitting order on the line loss report and CLECs may use this information to identify line splitting customers that are lost through winbacks. But SBC did not share this information until well after MCI began losing customers to SBC winbacks. Again, SBC's failure to understand and disclose all information regarding its own line splitting process creates problems and additional costs for CLECs.

These problems are not difficult. Before it obtains section 271 authority, SBC should resolve these issues and implement a line splitting process that treats line splitting orders for UNE-P customers as what they are – orders to change cross connects, rather than requests for a new loop and port. This would help resolve all of SBC's line splitting problems, not just the disconnect issues. But SBC obstinately refuses to address this issue. And it has not even resolved the "sub-problems" created by this general issue. Until it does, SBC's application must be denied.

SBC's Billing Issues Unresolved

The overarching billing concern remains the same as in the prior Michigan application: there appear to be serious discrepancies in SBC's internal databases. The result is that SBC is billing MCI for thousands of lines for which MCI does not have active records and so is not charging any customers. SBC attempted in its August 29 Reply Comments in the Illinois-Indiana-Ohio-Wisconsin 271 proceeding to rebut MCI's concerns, but as we explain below SBC has admitted to substantial errors and has failed to demonstrate that its systems are not responsible for most of the remaining errors in question.

After MCI filed its Reply Comments here, MCI completed its detailed analysis of the lines-in-service "snapshot" report provided by SBC, which MCI compared with its local database and information from other SBC databases. After taking into account line losses and other changes, the results of the comparison show that there were 5,612 lines that are included in the April 30 lines-in-service report, but that are not included in MCI's local database or are listed as deactive. MCI formally asked SBC to review these lines on August 5 and 6. SBC responded in a letter dated August 27 (but not received until it was resent). In that letter, SBC acknowledged that it had determined that 1432 lines were SBC errors caused by "manual processing." Letter from Marilynn Y. Williams, SBC, to Mindy Chapman, MCI, at 3 (8-27-03).[5] This alone suggests serious errors that were not caught by SBC's prior reconciliations. With respect to the remaining 4,000 plus lines, MCI is working with SBC to try to understand its response. MCI continues to believe that many of the remaining lines are also SBC errors. The following are the anomalies that MCI reported to SBC, and SBC's responses:

- SBC's lines-in-service report lists 3,552 lines as MCI customers for which SBC bills telco to MCI, but which MCI does not have in its databases and for which SBC did not report any

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[5] SBC spins its admission of error in its August 29 Illinois-Indiana-Ohio-Wisconsin filing as merely having "contributed" to unspecified MCI errors. Moreover, SBC complains that it was unfair to use the lines-in-service report to reveal SBC's errors, even though SBC states that the report is for the purpose of identifying and reviewing issues. SBC also complains that MCI did not provide the "Main Billing Telephone Number" for each line even though SBC had not previously required it and it is not a data element that MCI maintains in its records.

traffic usage over an entire month.[6] Because MCI does not have these lines active in its records, it is not billing customers for these lines. SBC still claims that most of these lines belong to MCI (without explaining how it made this determination) and that there was no traffic on these lines because the customers simply were not making any calls. But while a few customers may not use their lines for extended periods of time, it is unlikely that this is true for large numbers of customers. When the lack of usage is combined with MCI's database records showing the lines do not now belong to it, it is questionable at best that most of these lines are MCI's lines.

- SBC's lines-in-service report states that 1,630 lines are MCI lines even though SBC neither bills any telco on these lines nor reports any traffic usage on the lines, and even though MCI's databases do not reflect that these are MCI's lines. Further, SBC's lines-in-service report lists another 430 lines as MCI lines and reports traffic usage on the lines, even though SBC does not bill any telco to MCI for these lines and the lines are not in MCI's database or are deactive. SBC quibbles about 62 lines on which SBC is not billing telco, but MCI mistakenly listed under both categories of receiving traffic and not receiving traffic, which caused SBC to stop any analysis of those lines. But the obvious question, of course, is why telco is not being billed if the lines do in fact belong to MCI – whether or not there is traffic.[7]

- One further concern about the lines-in-service report is that many of the lines on which SBC reports traffic usage are being billed to MCI as *resale* traffic, rather than UNE-P traffic as they should be. MCI has been converting all its relatively few remaining resale customers to UNE-P, but this lines-in-service report indicates that there has been an increase in MCI resale lines that need to be reconciled, rather than the decrease (or elimination) that should be shown.

MCI seeks to resolve these issues with SBC in a business to business context, but the critical point here is that SBC's own databases have internal inconsistencies that need to be remedied, and the discrepancies between SBC's databases and MCI's databases result in MCI being billed by SBC for thousands of lines that it does not bill any end user.[8]

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[6] Detailed analysis by MCI since the Michigan Reply Comments reveals that these lines on which MCI is receiving telco bills from SBC are in fact the bulk of the lines in question as a result of the lines-in-service report.

[7] SBC also quibbles about the fact that MCI included requests for verification of the status of some lines in files it sent to SBC that MCI has not claimed are SBC errors, which is the difference between the 5,612 lines in MCI's filings and SBC's figure of 6,090. SBC also acts as though it is MCI's fault that two lines are not in the SBC-Ameritech region, even though all of the lines that MCI is questioning come directly from SBC's own report for that region.

[8] MCI does not expect the diagnostic ACIS to CABs comparison metric that SBC has proposed to implement throughout this region to capture all the inconsistencies that MCI is seeing. The proposed metric will only pick up if the information that closes to billing in ACIS matches that in CABs, after a 30 day period of time to get the order from ACIS to close to CABs. Errors that match in both databases and errors because of the long lag in closing to billing will not be picked up and thus the metric will not be useful, even if remedies were applied here, to resolve the billing inaccuracies MCI faces.

In fact, SBC in a follow-on session to its last six month review has agreed only to implement billing metrics to address the speed of its acknowledgement and responses to CLEC billing claims. Discussions of a rate table adjustment and billing accuracy metric that takes into account late billing have been put off to the upcoming six month review next month. The billing claims metric that SBC is willing to adopt carries no teeth (a low remedy, which could be as low as $35 per miss under its compromise plan if not more than 8% of metrics for CLECs in aggregate are missed) and an exclusion from even those remedy payments that it can create itself – CLECs with more than 30% of their claims rejected on a line item basis would not be eligible for Tier I remedies.

DOJ concluded in its August 26 Evaluation in WC Docket 03-138 that it is unable to support SBC's four-state application because of ongoing concerns about SBC's billing accuracy that are region-wide. DOJ Eval. at 8-15. This is so, DOJ notes, despite its efforts to obtain information from SBC that would give it a basis to support SBC. Moreover, based on all information to date, DOJ continues to have the serious billing concerns that it raised in its Michigan Evaluation in July. Apart from new problems raised by CLECs, DOJ points out that SBC's own submissions admit that CLECs continued to suffer a variety of billing accuracy problems. *Id.* at 9.

SBC Refusing to Pay Interest Required by ICA. MCI noted in its initial Comments (at n.4) that SBC has agreed to make payments to MCI, including payments of interest, to resolve a number of issues, but had not yet made the promised payments. SBC has since made clear to MCI that it will not pay interest at the rate required by our interconnection agreement, and will only discuss payment of a smaller lump sum. Given the magnitude of SBC's errors, this is not a trivial matter. Interest alone from these resolved disputes will run well over a million dollars. SBC clearly should make these payments prior to the Commission contemplating a grant of section 271 authority.

OSS Defects Worsening

The number of defects reported by SBC for its latest EDI release, version 6.0, has significantly increased during the last month. As of August 5, there were 44 defects for release 6.0, but as of August 27 that number has inexplicably jumped to 79 defects.

This is so even though SBC is artificially reducing the number of defects it finds in its releases by re-classifying them as change management requests. SBC has confirmed that its practice is to close recorded defects once a change request is opened to resolve the error. For example, as a result of a defect in the LSOG 5 release, orders for UNE-P in two central offices in Illinois have begun to reject on an on-going basis. When MCI submits orders with the Billing Account Number ("BAN") established for these offices, SBC rejects them. SBC identified this as a defect in the software that reads the BANs for these COs. CLECs were told that the workaround was to issue orders for lines in these COs manually, an unacceptable solution for this problem, or to issue the orders without BANs so that SBC could apply a default BAN and resolve the problem that way. This workaround is not acceptable either. Because BANs determine where CLECs will find the billing for specific accounts on their CABS bills, they are key to proper auditing of these accounts. SBC's "solution" to this problem shows both its refusal to follow the change management process and its cavalier attitude toward the resolution of billing issues.

Nonetheless, after proposing these workarounds and placing a change management request to resolve the problem, the defect disappeared from the defect log. Remarkably, the change management request has a possible *November 2004* release due date.

Line Loss Problems

SBC is again having problems with its line loss process, and is failing to notify CLECs of all of these problems. During the prior Michigan application, SBC's past line loss problems were discussed at length. Then, after SBC's withdrawal of that application, MCI reported to SBC hundreds of lines for which it was being billed that did not appear to be its lines. SBC blamed most of these on erroneous line losses. That problem continues. On June 3, 2003, SBC

sent MCI 414 line loss notifications in error, which SBC ultimately blamed on service rep errors and now states have been remedied by an "awareness session" and by coaching the particular service rep who made the error. *See* August 1, 2003 e-mail from SBC to MCI. However, SBC did not inform MCI that these line loss notifications were erroneous until *July 31*. At that time, SBC stated that 16 of these line losses were for MCI customers who actually had not left MCI and the rest were for customers who had not belonged to MCI in the first place. Naturally, in the interim, MCI had stopped billing the 16 customers and stopped providing customer service and support for the two months between receiving SBC's erroneous line loss notifications and learning that the line losses had been sent in error. MCI is attempting to learn why it took so long for SBC to correct its errors.

In addition, SBC is not reporting all of its line loss errors to CLECs – even on its monthly report on line loss errors that it is now required to file with the Michigan Commission. A defect discovered in late July 2003 in SBC's March 15 release appears to have caused at least 1400 billing errors relating to CLEC to CLEC migrations, as well as additional erroneous line losses. Apparently, if the winning CLEC is at Version 5.02 and the losing CLEC is at a higher version, SBC erroneously called the losing CLEC the winning CLEC and updated ACIS (and CABS and CLEC bills) incorrectly. While this problem caused erroneous line losses as well as incorrect billing, SBC has chosen not to announce it as such, perhaps to evade further proof that the line loss process is still broken, despite numerous claims otherwise. This is also another example of how the errors in ACIS may be at the root of many of SBC's billing problems.

MCI asked SBC on August 6 about another 36 lines on which it received line loss notifications from SBC, but which were still included in SBC's lines-in-service report. SBC is charging telco and reporting usage on each of these lines, so it appears that the line loss notifications sent in March and April, prior to the April 30 lines-in-service report, were in error. SBC has acknowledged its error on 35 of the 36 lines in attachments to its August 27 letter, but has not yet provided a full explanation to MCI.

These continuing line loss issues fit within the broader pattern of line splitting, billing and change management problems. They are yet more evidence that SBC's OSS is not yet fully ready.

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For all these reasons, SBC's section 271 application for Michigan is premature and should be denied. Please let us know if staff has any questions.

Pursuant to the Commission's rules, I am filing an electronic copy of this letter and request that it be placed in the record of this proceeding.

Sincerely,

Keith L. Seat

cc: Christopher Libertelli, Daniel Gonzalez, Matthew Brill, Jessica Roscnworcel, Scott Bergmann, Gina Spade, Susan Pié, Layla Seirafi-Najar (DOJ), Rodney Gregg (Michigan PSC), Qualex International